

OVERVIEW OF BUDGET

DEPARTMENT: TREASURER-TAX COLLECTOR
TREASURER-TAX COLLECTOR: RICHARD LARSEN

2003-04

	Appropriations	Revenue	Local Cost	Staffing
Treasurer-Tax Collector	6,780,201	5,110,135	1,670,066	66.5
Central Collections	7,986,256	7,986,256	-	94.5
TOTAL	14,766,457	13,096,391	1,670,066	161.0

BUDGET UNIT: TREASURER-TAX COLLECTOR (AAA TTX)

I. GENERAL PROGRAM STATEMENT

The Treasurer-Tax Collector has two distinct functions: the collection of property taxes and the treasury function. The tax collection function involves the collection and accounting of property taxes for all taxing entities in the county. This currently amounts to more than \$1.0 billion in property taxes, plus county licenses and other fees. The Treasurer is also responsible for the investment of the county investment pool, which includes county funds and all school districts within the county, as well as providing banking services for these agencies. The Treasurer currently manages assets of over \$2.0 billion.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Estimated 2002-03	Department Request 2003-04
Total Requirements	6,574,194	6,273,423	6,593,036	6,780,201
Total Revenue	4,075,854	4,160,138	4,958,950	5,110,135
Local Cost	2,498,340	2,113,285	1,634,086	1,670,066
Budgeted Staffing		66.5		66.5
<u>Workload Indicators</u>				
Tax bills sent Out:				
Annual Secured	701,205	705,000	704,219	715,000
Annual Unsecured	41,770	42,000	42,903	43,000
Supplementals	89,013	62,000	62,522	64,000
Total	831,988	809,000	809,644	822,000
Tax charges (in millions):				
Annual Secured	1,027	1,070	1,113	1,200
Annual Unsecured	69	70	74	74
Supplementals	50	33	36	34
Total	1,146	1,173	1,223	1,308
Phone Calls (Interactive Voice Response System)*	267,000	289,000	289,000	300,000
Tax Sale Parcels Sold*	1,165	1,600	3,400	4,700
Checks Deposited*	2,225,949	Not Available	2,317,000	2,410,000
Warrants Processed*	2,297,246	Not Available	2,332,000	2,367,000
Assets Managed (in thousands) (as of Dec. 31)*	2,170,907	Not Available	2,233,072	2,250,000

*First time included in budget book.

Estimated costs for 2002-03 are expected to be over budget by approximately \$320,000. Costs for title search, auction and advertising costs related to two tax sales exceeded the 2002-03 budget due to efforts to accelerate the number of properties offered at tax sales. These costs were offset by increased revenue (see below).

The majority of the estimated 2002-03 revenue increases over budget are due to the increase in tax sale revenues (\$816,000), increased assessment and tax collection fees (\$73,000) and increased collection fees from unsecured delinquent parcels (\$21,000). The Treasurer-Tax Collector originally budgeted to sell approximately 1,600 properties at tax sales but actually sold approximately 3,400 properties. These estimated revenue increases over budget are partially offset by an expected decrease in administrative charges to the Treasury Pool resulting from an analysis of its costs.

TREASURER-TAX COLLECTOR

III. HIGHLIGHTS OF RECOMMENDED PROGRAM FUNDED ADJUSTMENTS

STAFFING CHANGES

None.

PROGRAM CHANGES

An increased interest in real estate ownership by the public, as a result of the decline in the stock market along with historical low interest rates, has caused the number of properties sold at tax sales to skyrocket. In addition, being able to purchase properties using the Internet (one sale in 2002-03 and two planned in 2003-04) has increased participation at tax sales. Based on the success of tax sales in 2002-03, the County Treasurer-Tax Collector intends to continue to aggressively return tax-defaulted properties to the tax roll through the tax sales in 2003-04. The department plans to auction approximately 5,500 properties in 2003-04. The increased emphasis on tax sales will result in an increase to the department's services and supplies expenses (all of which are reimbursable through tax sale fees). Specifically, title search and auction/advertising costs are expected to be approximately \$386,000 higher than the 2002-03 budget and tax sale postage and other costs are expected to be approximately \$46,000 higher than the 2002-03 budget.

OTHER CHANGES

The Treasurer-Tax Collector expects to meet its 30% cost reductions plan through increased cost reimbursements from tax sale revenues (discussed above in Program Changes) and reimbursements from Central Collections. Increases to tax sale revenues are expected to cover the additional title search and auction related costs required for planned tax sales. As a result of an analysis of its costs, the Treasurer-Tax Collector expects to increase its reimbursements from Central Collections by approximately \$334,000 to \$675,000.

IV. VACANT POSITION IMPACT

The department has a total of 6.0 vacant budgeted positions in their 2003-04 Department Request Budget. The breakdown of these positions is as follows:

Vacant Budgeted Not In Recruitment	4.0	Slated for Deletion
Vacant Budgeted In Recruitment	<u>2.0</u>	Retain
Total Vacant	6.0	

Vacant Position Restoration Request:

The department has submitted policy items for the restoration of 4.0 vacant budgeted positions that are slated for deletion. The County Administrative Office recommends Policy Items #1, #3 and #4 which would restore the department's request of 3.0 vacant budgeted position for the Treasurer Tax Collector since they are either directly connected to revenue or are seasonal in nature.

TREASURER-TAX COLLECTOR

CAO Rec	Item	Program	Budgeted Staff	Program Description
x	1	Tax Sale/Account Reconciliation	1.0 \$67,238 Revenue Supported	The Accountant II position would insure that tax sale and other property tax collection errors are caught and corrected on a timely basis. Also assist in determining that tax sale collection procedures are followed and all receipts properly recorded.
	2	Administrative Support	1.0 \$67,238 Revenue Supported	The Staff Analyst II would assist in the development of automated reporting systems; assist in preparation of the department's budget and revenue projections; liaison with Auditor-Controller regarding FAS/TZ systems; conduct studies of banking costs; monitor banking activity and charges and prepare written reports; and prepare Requests for Proposals (RFPs) for banking and investment related services and equipment and administer contracts.
x	3	Tax Sales	1.0 \$32,002 Revenue Supported	With the anticipated increase in volumes of properties sold in 2003-04, the workload will increase in the Tax Sale section of the department. An additional Clerk II is needed to process the increased letters and notices to parties of interest and buyers.
x	4	Seasonal Positions	1.0 \$17,514 Revenue Supported	During its peak workload periods, the Department needs seasonal employees to assist in the mailroom and to perform cashiering duties to cover the additional workload that occurs during that period.

V. OTHER POLICY ITEMS

None.

VI. FEE CHANGES

Adding fees to cover cost of any special programming requests and a tax sale parcel data fee. Deleting six minor fees based on County Counsel opinion regarding public information requests. The new fees would add approximately \$25,000 to revenues.

GROUP: Fiscal
DEPARTMENT: Treasurer-Tax Collector
FUND: General AAA TTX

FUNCTION: General
ACTIVITY: Finance

ANALYSIS OF 2003-04 BUDGET

	A	B	C	D	B+C+D E
	2002-03 Year-End Estimates	2002-03 Final Budget	Base Year Adjustments	Mid-Year Adjustments	Board Approved Base Budget
<u>Appropriation</u>					
Salaries and Benefits	3,266,259	3,486,873	269,827	-	3,756,700
Services and Supplies	2,859,398	2,319,171	(28,204)	-	2,290,967
Central Computer	609,159	609,159	50,511	-	659,670
Transfers	-	-	-	-	-
Total Exp Authority	6,734,816	6,415,203	292,134	-	6,707,337
Reimbursements	(341,780)	(341,780)	(333,774)	-	(675,554)
Total Appropriation	6,393,036	6,073,423	(41,640)	-	6,031,783
Operating Transfer Out	200,000	200,000	-	-	200,000
Total Requirement	6,593,036	6,273,423	(41,640)	-	6,231,783
<u>Revenue</u>					
Licenses and Permits	1,000	1,000	-	-	1,000
Taxes	256,750	245,000	-	-	245,000
Current Services	2,737,668	1,817,138	423,579	-	2,240,717
State, Fed or Gov't Aid	-	22,000	(22,000)	-	-
Other Revenue	1,963,532	2,075,000	-	-	2,075,000
Total Revenue	4,958,950	4,160,138	401,579	-	4,561,717
Local Cost	1,634,086	2,113,285	(443,219)	-	1,670,066
Budgeted Staffing		66.5	-	-	66.5

GROUP: Fiscal
DEPARTMENT: Treasurer/Tax Collector
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ANALYSIS OF 2003-04 BUDGET

	E	F	E+F G	H	G+H I	J	I+J K
	Board Approved Base Budget	Recommended Program Funded Adjustments	2003-04 Department Request	Vacant Position Impact	2003-04 Proposed Budget (Adjusted)	Recommended Vacant Restoration	2003-04 Recommended Budget
Appropriation							
Salaries and Benefits	3,756,700	56,412	3,813,112	(183,922)	3,629,190	116,754	3,745,944
Services and Supplies	2,290,967	575,219	2,866,186	-	2,866,186	-	2,866,186
Central Computer	659,670	-	659,670	-	659,670	-	659,670
Transfers	-	116,529	116,529	-	116,529	-	116,529
Total Exp Authority	6,707,337	748,160	7,455,497	(183,922)	7,271,575	116,754	7,388,329
Reimbursements	(675,554)	258	(675,296)	44,826	(630,470)	-	(630,470)
Total Appropriation	6,031,783	748,418	6,780,201	(139,096)	6,641,105	116,754	6,757,859
Operating Transfer Out	200,000	(200,000)	-	-	-	-	-
Total Requirements	6,231,783	548,418	6,780,201	(139,096)	6,641,105	116,754	6,757,859
Revenue							
Licenses & Permits	1,000	-	1,000	-	1,000	-	1,000
Taxes	245,000	12,000	257,000	-	257,000	-	257,000
Current Services	2,240,717	931,283	3,172,000	(139,096)	3,032,904	116,754	3,149,658
Other Revenue	2,075,000	(394,865)	1,680,135	-	1,680,135	-	1,680,135
Total Revenue	4,561,717	548,418	5,110,135	(139,096)	4,971,039	116,754	5,087,793
Local Cost	1,670,066	-	1,670,066	-	1,670,066	-	1,670,066
Budgeted Staffing	66.5	-	66.5	(4.0)	62.5	3.0	65.0

TREASURER-TAX COLLECTOR

Base Year Adjustments

Salaries and Benefits	94,878	MOU.
	170,655	Retirement.
	<u>4,294</u>	Risk Management Works Comp.
	<u>269,827</u>	
Services and Supplies	(6,204)	Risk Mgmt Liabilities.
	<u>(22,000)</u>	Loss of SB90 revenue.
	<u>(28,204)</u>	
Central Computer	<u>50,511</u>	
Reimbursements	(333,516)	30% Cost Reduction.
	<u>(258)</u>	Incremental Change in EHAP.
	<u>(333,774)</u>	
Total Base Year Appropriation	<u>(41,640)</u>	
Current Services	339,048	30% Cost Reduction.
	<u>84,531</u>	4% Spend Down Plan.
	<u>423,579</u>	
State, Fed or Gov't Aid	<u>(22,000)</u>	Loss of SB90 revenue.
	<u></u>	
Total Base Year Revenue	<u>401,579</u>	
Total Base Year Local Cost	<u>(443,219)</u>	

The Treasurer-Tax Collector expects to meet its 30% cost reductions plan through increased cost reimbursements from tax sale revenues and reimbursements from Central Collections.

Recommended Program Funded Adjustments

Salaries and Benefits	<u>56,412</u>	Increase in salary and benefits for budgeted step increases and paid vacation and administrative leave.
Services and Supplies	443,787	Increases in costs related to tax sales (title search, auction, advertising, postage and other costs).
	138,000	Increases in system development and distributed DP equipment charges.
	5,219	Net increase in all other costs.
	<u>(11,787)</u>	GASB 34 Accounting Change EHAP.
	<u>575,219</u>	
Transfers	105,000	Bank reconciliation fees paid to Auditor/Controller (\$105,000) and other employee programs.
	(258)	
	<u>11,787</u>	GASB 34 Accounting Change EHAP.
	<u>116,529</u>	
Reimbursement	<u>258</u>	
Operating Transfers Out	<u>(200,000)</u>	Decrease for expenses related to a remodel of the County Treasurer's Offices in 2002-03
Total Requirements	<u>548,418</u>	
Revenue		
Taxes	<u>12,000</u>	Increase in penalties on taxes.
Current Services	931,283	Increase in the tax sale revenues, assessment and tax collection fees and unsecured tax collection fees.
	<u></u>	
Other Revenue	(409,865)	Decrease in administrative charges to Treasury Pool related to remodel of the County Treasurer's Offices in 2002-03 and analysis of data processing charges.
	<u>15,000</u>	Other increases.
	<u>(394,865)</u>	
Total Revenue	<u>548,418</u>	
Local Cost	<u>-</u>	

TREASURER-TAX COLLECTOR

Vacant Position Impact
Summary

	Authorized	Budgeted Staffing	Salary and Benefit Amount	Revenue and Reimbursements	Local Cost
Vacant Budgeted Not In Recruitment - Delete	5	4.0	183,992	183,992	-
Vacant Budgeted in Recruitment - Retain	2	2.0	116,058	116,058	-
Total Vacant	7	6.0	300,050	300,050	-
Recommended Restoration of Vacant Deleted	4	3.0	116,754	116,754	-

Vacant Position Impact
AAA TTX Detail

	Position Number	Budgeted Staffing	Salary and Benefit Amount	Revenue and Reimbursements	Local Cost
Note: If position is seasonal indicate next to Classification (Seasonal:May thru August)					
<u>Vacant Budgeted Not in Recruitment</u>					
Staff Analyst II	LY300434	(1.0)	(67,238)	(67,238)	-
Subtotal Recommended - Delete		(1.0)	(67,238)	(67,238)	-
Clerk II	LY300265	(1.0)	(32,002)	(32,002)	-
Accountant II	00071855	(1.0)	(67,238)	(67,238)	-
Public Service Employee (Seasonal Nov thru Dec and March thru April)	94696	(0.5)	(8,757)	(8,757)	-
Public Service Employee (Seasonal Nov thru Dec and March thru April)	N0008	(0.5)	(8,757)	(8,757)	-
Subtotal Recommended - Retain		(3.0)	(116,754)	(116,754)	-
Total Slated for Deletion		(4.0)	(183,992)	(183,992)	-
Vacant Budgeted In Recruitment - Retain					
Investment Analyst	76510	1.0	76,842	76,842	-
Clerk II	3914	1.0	39,216	39,216	-
Total in Recruitment Retain		2.0	116,058	116,058	-

NOTE: If applicable, the vacant position will be bolded if included in the 30% Cost Reduction Plan not yet implemented.
If applicable, the seasonal vacant position that is currently not filled will indicate which months they are needed.